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Arizona Corporation Commission DOCKETED

JUL 22 2010

DOCKETED BY

Via Overnight Delivery

ANDREW O. ISAR Z CORP COM

July 21, 2010

Docket Control Center Arizona Corporation Commission 1200 W. Washington Street, Room 108 Phoenix, Arizona 85007-2996

Re:

Staff's First Set of Data Requests to Central Telecom Long Distance, Inc., Docket

No. T-20740A-10-0205

Dear Sir/Madam:

Pursuant to Staff's June 22, 2010 electronic First Set of Data Requests in the above-referenced matter, Central Telecom Long Distance, Inc. ("CTLD" or the "Company"), by its regulatory consultants, hereby provides the following information.

This is also to advise the Commission of a change in our firm's address, as an update to item A-5 of the Company's pending Application. All correspondence concerning this matter should be directed to:

Mr. Andrew O. Isar Miller Isar, Inc. 4423 Point Fosdick Drive, NW, Suite 306 Gig Harbor, WA 98335

Telephone:

253.851.6700

Facsimile:

866.474.3630

E-Mail:

aisar@millerisar.com

An original and thirteen (13) copies of this letter and attachments are enclosed.

Please acknowledge receipt of this filing by file-stamping and returning the additional copy of this Application and transmittal letter in the self-addressed, postage-paid envelope provided for this purpose.

Docket Control Center July 21, 2010 Page 2

Questions may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.

Andrew O. Isar

Enclosures

Regulatory Consultants to Central Telecom Long Distance, Inc.

cc: Ms. L. Morrison via electronic delivery (LMorrison@azcc.gov)

Each of the following responses was prepared by:

Andrew O. Isar, Miller Isar, Inc. 4423 Point Fosdick Drive, NW Gig Harbor, Washington 98335 Telephone: 253.851.6700

Regulatory Consultants to Central Telecom Long Distance, Inc.

STF 1.1 In the responding to Item (A-5) of the application, the address provided for the Company's Attorney appears to be the Attorney's former address. Please provide the Attorney's current address.

**Response**: The current address of Applicant's Regulatory Consultant is as follows:

Andrew O. Isar Miller Isar, Inc. 4423 Point Fosdick Drive, NW Gig Harbor, Washington 98335

The Commission has so been advised through the transmittal letter associated with this response.

- STF 1.2 Item (A-18) states, "List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona." In the responding to Item (A-18), the Company states, "In no instance has Applicant had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona."
  - a. Please list all the States in which the Company has had an application approved to offer telecommunications service similar to those that the Company will or intends to offer in Arizona.
  - b. Has the Company ever had an application to provide services similar to those that it will or intends to offer in Arizona denied? If yes, please identify the jurisdiction and circumstances under which the application was denied. If no, please state "the Company has never had an application denied".
  - c. Does the Company have any applications pending in other States to provide telecommunications services similar to those proposed in this application? If yes, please list each State. If no, please state "no" in response to this question.

- a. Applicant has had applications for authority to offer telecommunications service similar to those that the Company will or intends to offer in Arizona approved in the States of Alabama, California, Colorado, Iowa, Idaho, Illinois, Massachusetts, Maryland, Michigan, Missouri, Montana, North Carolina, North Dakota, New Jersey, New York, Nevada, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Virginia, Vermont, Washington, and Wisconsin.
- b. The Company has never had an application denied.
- c. The Company has applications for authority to offer telecommunications service similar to those that the Company will or intends to offer in Arizona pending in the States of Georgia and Minnesota.

- STF 1.3 Item (B-1) of the application asks the Applicant to indicate if it has financial statements for the two (2) most recent years. The Company responded by selecting the "No" checkbox and stating it incorporated in December 2007 and did not begin to provide service until early 2008.
  - a. Since the application was filed on May 18, 2010, the Company should have complete financial records for all of 2008 and 2009, please explain why the Company states it does not have financial statements for the two (2) most recent years.
  - b. Please provide the date on which the Company began operations.

#### Response:

- a. The Company had not at the time of its application, completed financial statements for calendar year 2009. The 2009 financial statements have been completed and are attached. Although the Company acknowledges that the Commission does not typically accord confidentiality of financial statements to Applicants the Company requests that the Company's financial statements be provided exclusively to Commission employees on a need to know basis.
- b. The Company was incorporated on December 21, 2007, which it deems the date on when the Company's operations commenced.
- STF 1.4 In response to Item (B-2), Attachment D:
  - a. The Company did not provide a balance sheet for 2008. Please provide a balance sheet for 2008.
  - b. There are no liabilities on the balance sheet provided for 2009. Please indicate if the Company had any liabilities in 2009.

- a. A copy of Company's 2008 balance sheet is attached.
- b. The Company has not assumed liabilities in 2009.

STF 1.5 Please provide a detailed description of Ms Deborah Baker's work experience and specify the years of service she has in the telecommunications service industry.

# Response:

Ms. Baker has more than 14 years of telecommunications experience. Ms. Baker is President of Central Telecom Long Distance, Inc., responsible for the entirety of the Company's operations and profitability. Prior to joining the Company, Ms. Baker served as President of inbound customer service call center. In this capacity Ms. Baker was responsible for overseeing operations of a 200-employee company, including human resource management, training program curriculum development, billing system design and implementation, oversight of information technology deployment, and increasing company revenues. Ms. Baker was formerly President of a 75-person a data and information account verification firm. Ms. Baker also held sales management and advertising positions in other firms, and owned and operated an investment firm.

Referencing the Company's proposed tariff, Original Sheet No 15, paragraph 2.9.2.2, would the Company be willing to add the Commission's website address – <a href="http://www.azcc.gov/divisions/utilities/consumerservices.asp">http://www.azcc.gov/divisions/utilities/consumerservices.asp</a> – to this portion of the tariff? If yes, please add underneath the Commission's street address. If no, please explain why not.

#### Response:

The Commission's web site has been added to section 2.9.2.2. of the Company's tariff. This and the following amended tariff pages are attached to the end of these responses.

Referencing the Company's proposed tariff, Original Sheet No. 22, under the heading 2.11.5, please add the following requirement listed in A.A.C. R14-2-509(E)(1):"The Company shall give at least 5 days advance notice prior to the termination date."

### Response:

The amendment has been made, though it is unclear why this provision should be added here when it appears under section 2.11.3, at sheet 20.

STF 1.8 Referencing the Company's proposed tariff, Original Sheet No. 23:

a. Paragraph 2.13, please correct the following (correction is bolded and underlined below):

"The Company does not require advance payments or deposits from the Customer."

b. Paragraph 2.14, please replace the term "handicapped" services with "telecommunications relay" services.

# Response:

The amendments have been made.

- STF 1.9 Referencing the Company's proposed tariff, Original Sheet No. 25, paragraph 3.2.3 and Original Sheet No. 26, the tariff indicates one of the items not included in a rate quote is a monthly Carrier Cost Recovery Fee. Review of the entire proposed tariff does not include a description or rate for a monthly Carrier Cost Recovery Fee.
  - a. Please explain in detail what a Carrier Cost Recovery Fee is and what costs it is intended to recover.
  - b. Please explain in detail why a Carrier Cost Recovery Fee is only mentioned in the context of Residential Long Distance Services and not also included in the Commercial Long Distance Service portion of the proposed tariff.
  - c. Is the Carrier Cost Recovery Fee the same as the Cost Recovery Charge defined on Sheet No. 43? If yes, please change all tariff pages with this fee/charge, including rate sheets, such that the same name is used consistently throughout the tariff. If no, please discuss in detail the difference between to the two fees/charges.

- a. Please refer to Section 4.5. at Sheet 43, now correctly identified as a "Cost Recovery Fee."
- b. Applicant initially proposes to serve residential subscribers and had incorporated the fee reference to residential services in the initial tariff. The fee has been incorporated into the commercial service provisions.
- c. Please refer to item a, above. The "charge" reference has been changed to "fee".

- STF 1.10 Referencing the Company's proposed tariff, Original Sheet Nos. 27-29:
  - a. Are the rates contained in these three tariff sheets supposed to be maximum rates? If yes, please label the rates on each page as maximum. If no, please explain why the rates listed on Sheet Nos. 27-29 are different then the rates on Sheet Nos. 44-46.
  - b. Are the Monthly Access Fees listed on Sheet Nos. 27-29 supposed to be a maximum rate of \$3.78? If yes, please explain why the Company is proposing a maximum rate equal to the current rate proposed on Sheet No. 44-46. If no, please provide a higher proposed rate for the Commercial Monthly Access Fee.
  - c. Please explain what the Monthly Access Fee is and what costs it is intended to recover.
  - d. Is the Monthly Access Fee listed on Sheet Nos. 27-29 and 44-46 the same as the Monthly Service Fee defined on Sheet No. 7? Is yes, please change all tariff pages with this fee, including rate sheets, such that the same name are used consistently throughout the tariff. If no, please discuss in detail the difference between to the two fees.

- a. Yes, and are already identified as such: "Intrastate max." and "Intrastate min."
- b. No. Higher monthly access fee maxima have been included.
- c. The Monthly Access Fee is a flat recurring fee applied on aeach commercial service plan basis to recoup Company underlying service costs.
- d. Yes. Page 7 has been amended to reflect the term "Monthly Access Fee."

Referencing the Company's proposed tariff, Original Sheet No. 30, paragraph 4.1.2.1, and on Original Sheet No. 31, paragraph 4.1.2.3, please explain in detail what is meant by the sentence, "The Company's 10 Minute Chat Value Plan is offered only to Customers who have previously Presubscribed to the Company's intrastate long distance service and have cancelled that service."

# Response:

The provision indicates that for subscribers to qualify for the 10 Minute Chat Value Plan, the subscriber must have once had to have been a subscriber of another intrastate long distance plan and cancelled the service. This, in effect is a type of win-back service that would apply in the future.

STF 1.12 Referencing the Company's proposed tariff, Original Sheet Nos. 30-39, the Cost Recovery Charge proposed on each of these tariff sheets has the Maximum and Minimum Rates reversed. Please correct the tariff sheets accordingly.

#### Response:

#### Corrected.

- STF 1.13 For the Residential Long Distance Service Calling Plans and the timing of calls, please provide the following:
  - a. The minimum call duration for each plan;
  - b. Identify the billing increment for each plan; and
  - c. The rounding increment for each plan.

#### Response:

- a. The minimum call duration for each plan is sixty seconds.
- b. The billing increment for each plan is sixty seconds.
- c. The rounding increment for each plan is to the next highest sixty seconds.

These increments are now reflected at Section 3.2.3. on Sheet 25.

STF 1.14 Referencing the Company's proposed tariff, Original Sheet No. 38, footnote 1 and Original Sheet No. 39, footnote 2, please clarify what is meant by the footnote when it states, "Charges associated with connecting Subscribers to requested numbers are not waived." Is the footnote intended to convey that if a subscriber chooses to have a Directory Assistance call completed for the subscriber to a number requested from Directory Assistance, the additional charge typically associated with this function is not included under the calling plan and the subscriber will be charged the additional charge?

# Response:

No. This provision is intended to establish that standard Plan usage rates apply in instances where a subscriber has placed a directory assistance call that is subsequently connected to the called party.

- STF 1.15 Referencing the Company's proposed tariff, Original Sheet Nos. 40 and 41:
  - a. Please explain the difference between Plan I on Sheet No. 40 and Plan II on Sheet No. 41.
  - b. The maximum rate proposed for the Pay Telephone Access Charge is \$0.70. However, Staff will only support a maximum rate of \$0.60 for this function. Please revise these tariff Sheets to reflect a maximum rate of \$0.60.

#### Response:

- a. Subscribers with more than \$25.00 per month in long distance calling, including non-calling card calls, are eligible for Plan I. Otherwise, subscribers are subject to Plan II. This is already established in the service descriptions on Sheet Nos. 40 and 41.
- b. The amendments have been incorporated in Sheets 40 and 41, respectively.
- STF 1.16 Referencing the Company's proposed tariff, Original Sheet No. 42, in paragraph 4.3, is the Service Reconnection Fee, per occurrence, applicable to both residential and business and will the Company apply the same rate for both classes of customers.

#### Response:

The Service Reconnection Fee applies equally to residential and commercial accounts.

- Referencing the Company's proposed tariff, Original Sheet No. 42, in paragraph 4.4, the tariff indicates that the IntraState Connection Fee will be applied to customers to recover the costs charged by the local telephone company to carry the Company's in-state long distance calls over its lines.
  - a. Please explain in detail what costs this charge is intended to recover and be specific as to those costs incurred.
  - b. Does this fee apply to all customers or only residential customers?

- a. As noted, the IntraState Connection Fee is "A monthly service charge ... applied to Customers to recover the costs charged by the local telephone company to carry Company's in-state long distance calls over its lines." The fee is intended to recoup local exchange carrier switched access charges, and is based on an anticipated number of monthly subscriber calls per account. Applicant has elected to identify the cost as a distinctly separate cost line item. The charge is consistent with like charges imposed by AT&T and other dominant carriers.
- b. The IntraState Connection Fee applies to both commercial and residential subscribers.

- STF 1.18 Referencing the Company's proposed tariff, Original Sheet No. 43, in paragraph 4.5, the Cost Recovery Fee:
  - a. The title of the Section is "Cost Recovery Charge". However, in the first sentence of the paragraph states, "Customer will be assessed a monthly Cost Recovery Fee". Did the Company mean the "Cost Recovery Charge" instead of "Cost Recovery Fee"? As requested in STF 1.9, please use consistent terminology for this rate element and correct whatever portion of this sentence or title such that the terminology is consistent with the rest of the tariff. (In other words, decide if this is a Fee or a Charge and use the same term for this rate element consistently throughout the tariff).
  - b. The second sentence in this paragraph starts with, "The is fee permits...". Please correct this part of the sentence by replacing "The is" to either "The" or "This".
  - c. The description of the charge/fee is that it allows the Company to recover costs associated with regulatory proceedings and compliance and is applied each month in which the customer has interstate or international calling charges. If this charge/fee in only applied when a customer makes a nonintrastate call, please explain why the Company is including this charge in an intrastate tariff?
  - d. The tariff indicates the charge/fee applies to presubscribed lines. Does this charge/fee applied to casual users and/or calling card users? If not, please explain in detail why not.

- a. Yes. The line item has been amended.
- b. Corrected.
- c. The item is included in the intrastate tariff because several of the Applicant's plans comprise a combined intrastate and interstate component. As such the charge would apply to subscribers of some intrastate plans, and is included to clarify applicability.
- d. The charge applies to all plans including subscribed, e.g. "casual calling" plans.

Referencing the Company's proposed tariff, Original Sheet No. 43, in paragraph 4.6, the Company is proposing to charge customers who select to have their Central Telecom Long Distance services appear on the customers' local carrier's bill. If a customer chooses to receive their bill directly from the Company, does the Company charge for direct billing?

# Response:

No. In those instances where the Applicant renders direct billing, no charge applies.

- STF 1.20 Referencing the Company's proposed tariff, Original Sheet No. 50:
  - Section 5.1.14, please correct the heading to be "Basic Residential Calling Card Service Plan II".
  - b. Please explain the differences in per-minute and the monthly service fee rates between Plan I and Plan II.

- a. Corrected.
- b. A lower per minute rate and monthly service fee apply based on the subscriber's collective service usage during the month. Subscribers with higher usage in effect receive a volume discount, as reflected in the rate structure.

- STF 1.21 Please provide the following information in the provision of customer service to the Company's customers:
  - a. The telephone number for customer service;
  - b. The location of the customer service call center; and
  - c. The number of employees that work at the call center that will provide assistance to Arizona customers.
  - d. The hours of operation for customer service.

### Response:

- a. The telephone number for customer service is 888.988.9818 (See Sheet 15).
- b. The location of the customer service call center is 7411 John Smith Drive, Suite 200, San Antonio, TX 78229.
- c. The Applicant subcontracts to a call center to address customer complaints. The subcontractor is responsible to ensure that the center is staffed to receive all calls without placing callers in queue.
- d. The Call Center hours are Monday through Friday, from 5:00 AM to 7:00 PM Pacific Time (See Sheet 15)
- STF 1.22 Will the Company have any employees located in Arizona? If yes, please specify how many. If not, why not?

#### Response:

No, the Company will not have any employees located in the state of Arizona. The Company has the ability to service its customers from its home base without the necessity of a physical presence (and the associated costs) of having employees in each state in which it operates.

STF 1.23 Will the Company have any investments and/or assets located in Arizona? If yes, please specify those investments and/or assets. If no, why not?

#### Response:

No. As a non-facilities based carrier, the Application does not currently anticipate having investments or locate assets in the state of Arizona.

STF 1.24 How will the Company market their service in the Arizona market? Please provide any marketing material the Company will be using.

# Response:

The Company will use telemarketing consistent with established telemarketing laws and regulations. There will be no direct marketing and no "marketing material" has been created, accordingly.

STF 1.25 Will the Company be offering any services on a prepaid basis? If yes, please specify what those services are and how the prepayments will be handled by the Company.

# Response:

No. The Applicant will not offer any service on a prepaid basis.

STF1.26 Has the Company ever had any of its authority to provide service revoked in any State? If so, please provide detailed information regarding the event(s).

#### Response:

No. The Company has never had any of its authority to provide service revoked in any State.

STF 1.27 Please explain why the Company believes that its rates are just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any and all supporting materials.

#### Response:

Applicant's rates reflect the Company's underlying costs and a reasonable return, while enabling the Company to remain competitive and attract and retain subscribers in Arizona's highly competitive interexchange market. Further, as a new market entrant, Applicant could not successfully attract and retain subscribers unless its rates were competitive with larger, more established competitors. Applicant does not have market power to control pricing and could not sustain unreasonably low, anti-competitive service rates through service subsidies in Arizona or elsewhere. Applicant's Arizona rates are consistent with those charged by other interexchange carriers operating under Commission-approved tariffs. Applicant's proposed rates should be considered fair, just, and reasonable, accordingly.

11:17 AM 12/30/09 Accrual Basis

# Central Telecom Long Distance, Inc. Balance Sheet

As of November 30, 2009

	Nov 30, 09
ASSETS	
Current Assets	
Checking/Savings	0.704.40
General Account	8,734.46
Money Market	21,182.23
Payroll	23,792.13
Total Checking/Savings	53,708.82
Total Current Assets	53,708.82
TOTAL ASSETS	53,708.82
LIABILITIES & EQUITY Equity	
Capital Stock	2,500.00
Retained Earnings	29,829.20
Net Income	21,379.62
Total Equity	53,708.82
TOTAL LIABILITIES & EQUITY	53,708.82

# SECTION 2 - RULES AND REGULATIONS, Continued

#### 2.9. BILLING DISPUTES

- 2.9.1. The Customer is responsible for notifying Company within ninety (90) days of the date of mailing of each bill, of any charges in dispute and the specific basis of such dispute. Any such dispute must be initiated by the Customer either in writing directly to the Company or by way of a call into the Company's toll free customer service number. The failure of Customer to dispute a charge within the dispute period shall be deemed a waiver of any and all rights to dispute the charges of the Company and all such charges shall be deemed valid and binding on the Customer. Billing disputes should be addressed to Company's customer service organization via telephone to 888.988.9818. Customer service representatives are Monday through Friday, from 5:00 AM to 7:00 PM Pacific Time.
- 2.9.2. In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer may take the following course of action:
  - 2.9.2.1. First, the Customer may request the Company perform an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection).
  - 2.9.2.2. Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of the Company, the Customer may appeal to the Commission for its investigation and decision. The address of the Commission is:

Arizona Corporation Commission Consumer Services Section 1200 West Washington Street Phoenix, Arizona 85007

Telephone number:

602.542.4251

Toll Free:

800.222.7000

Web Site: http://www.azcc.gov/divisions/utilities/consumerservices.asp

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# **SECTION 2 - RULES AND REGULATIONS, Continued**

# 2.11. CANCELLATION BY COMPANY, Continued

2.11.5. Timing of Terminations with Notice

The Company shall give at least 5 days advance notice prior to the termination date.

- 2.11.5.1. Termination notice shall be considered to be given to the Customer when a copy thereof is left with the Customer or posted first class in the United States mail, addressed to the Customer's last known address.
- 2.11.5.2. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof, or in the case of a violation of the Company's rules, the Customer has not satisfied the Company that such violation has ceased, the Company may then terminate Service on or after the day specified in the notice without giving further notice.
- 2.11.5.3. The Company may terminate Service on a temporary basis by discontinuing the Customer's line access at the Central Office.
- 2.11.5.4. The Company has the right (but not the obligation) to remove any or all of its property installed on the Customer's Premises upon the Termination Of Service.

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# **SECTION 2 - RULES AND REGULATIONS, Continued**

#### 2.12. INTERCONNECTION

- 2.12.1. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface of facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.
- 2.12.2. Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' Tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer provided terminal equipment or communications equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way, and other such arrangements necessary for interconnection.

#### 2.13. ADVANCE PAYMENTS AND DEPOSITS

The Company does not require advanced payments or deposits from the Customer.

### **2.14.** TAXES

The Customer is responsible for payment of all federal, state and local taxes, franchise, excise and other fees applicable to the Services, including, but not limited to: sales, use, excise, franchise, access, universal service, 911 services and telecommunications relay services. Municipal taxes are billed as a separate line item and are not included in the quoted rates.

#### 2.15. PROMOTIONAL OFFERINGS

Company may, from time to time, make promotional offerings of its Services, which may include waiving or reducing the applicable charges for the promoted Service. The promotional offerings will have an ending, date within one year. All promotional offerings will be filed with the Commission for Tariff approval.

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# **SECTION 3 - DESCRIPTION OF SERVICE, Continued**

#### 3.2. LONG DISTANCE TELECOMMUNICATIONS SERVICES

- 3.2.1. Company provides switched access telecommunications services which allow commercial and residential Customers to establish a communications path between two stations by using uniform dialing plans. Services may be either Presubscribed or Subscribed. The minimum service period for all services is one (1) month (30 days).
- 3.2.2 Commercial Long Distance Service

Commercial Long Distance Service is a switched access service, offering commercial users outbound interLATA "1 plus" long distance telecommunications services from points originating and terminating within the State. Billing increments are based on the calling plan.

3.2.3 Residential Long Distance Service

Residential Long Distance Service is provided to Customers who have Presubscribed to the Company's interstate Message Telecommunications Services. Presubscribed Service is bundled with the Company's Calling Card, Casual Dialing and other Subscribed Services as set forth in this Service Guide. Plans are offered only in locations where billing and technical resources are available. Customers should contact Company's Customer Service Department at 888.988.9818 to determine eligibility. Quoted rates excludes calling cards, taxes, fees, surcharges, installation charges, universal service charges and other charges including a monthly Carrier Cost Recovery Fee. Calls are billed in sixty second increments and carry an initial sixty second duration. Calls are rounded to up to the next sixty second increment.

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#### **SECTION 4 - RATES AND CHARGES**

#### 4.1. SERVICE CHARGES

# 4.1.1. Commercial Long Distance Service

#### 4.1.1.1. Commercial Rate Plan I

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for an eighteen (18) second minimum call duration and six (6) second additional billing increments.

	DAY		EVENING		NIGHT	
	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.
Intrastate max.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate min.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

Monthly Access Fee: \$6.00 \$1.00
Cost Recovery Charge \$3.00 \$0.50

#### 4.1.1.2. Commercial Rate Plan II

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for an eighteen (18) second minimum call duration and six (6) second additional billing increments.

	DAY		EVENING		NIGHT	
	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.
Intrastate max.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate min.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

Monthly Access Fee:MaximumMinimumCost Recovery Charge\$6.00\$1.00\$0.50\$0.50

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# 4.1. SERVICE CHARGES, Continued

# 4.1.1. "1 Plus" Commercial Long Distance Service, Continued

#### 4.1.1.3. Commercial Rate Plan III

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for one (1) minute billing increments.

	DAY		EVENING		NIGHT	
	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
Intrastate max.	\$0.60	\$0.060	\$0.50	\$0.060	\$0.50	\$0.060
Intrastate min.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

	Maximum	Minimum
Monthly Access Fee:	\$6.00	\$1.00
Cost Recovery Charge	\$3.00	\$0.50

#### 4.1.1.4. Commercial Rate Plan IV

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for one (1) minute billing increments.

	DAY		EVENING		NIGHT	
	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
Intrastate max.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate min.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

 Monthly Access Fee:
 Maximum
 Minimum

 Cost Recovery Charge
 \$6.00
 \$1.00

 \$0.50
 \$0.50

Issued:

Effective Date:

Issued By:

# 4.1. SERVICE CHARGES, Continued

# 4.1.1. Commercial Long Distance Service, Continued

### 4.1.1.5. Commercial Rate Plan V

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for thirty (30) second billing increments.

	DAY		EVENING		NIGHT	
	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.
Intrastate max.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate min.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

	Maximum	Minimum
Monthly Access Fee:	\$6.00	\$1.00
Cost Recovery Charge	\$3.00	\$0.50

#### 4.1.1.6. Commercial Rate Plan VI

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for thirty (30) second billing increments.

7	DAY		EVENING		NIGHT	
-	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.
Intrastate max.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate min.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

	Maximum	Minimum
Monthly Access Fee:	\$6.00	\$1.00
Cost Recovery Charge	\$3.00	\$0.50

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# 4.1. SERVICE CHARGES, Continued

# 4.1.2. Residential Long Distance Service, Continued

# 13. Basic Residential Calling Card Service Plan I

Customers with \$25.00 or more in monthly long distance calling, including non-calling card calls, are eligible to enroll in the Company's Basic Residential Calling Card Service Plan I at the following rates and charges:

	Maximum	Minimum
Access Charge, per call	\$3.00	\$0.50
Rate per minute, all time periods	\$0.30	\$0.01
Monthly Service Fee	\$7.00	\$1.00

The monthly service fee set forth above is billed only to Customers who are no longer Presubscribed to the Company's interstate and interstate long distance services.

A surcharge is added to Customer bills when calling card calls are place using pay telephones. The pay telephone surcharge is in addition to the calling card service per call access charge and per minute rate.

	Maximum	Minimum
Pay telephone access charge	\$0.60	\$0.10

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# 4.1. SERVICE CHARGES, Continued

#### 4.1.2. Residential Long Distance Service, Continued

# 14. Basic Residential Calling Card Service Plan II

Customers with less than \$25.00 in long distance calling, including non-calling card calls, are eligible to enroll in the Company's Basic Residential Calling Card Service Plan II at the following rates and charges:

	Maximum	Minimum
Access Charge, per call	\$3.00	\$0.50
Rate per minute, all time periods	\$0.30	\$0.01
Monthly Service Fee	\$7.00	\$1.00

The monthly service fee set forth above is billed only to Customers who are no longer Presubscribed to the Company's interstate and interstate long distance services.

A surcharge is added to Customer bills when calling card calls are place using pay telephones. The pay telephone surcharge is in addition to the calling card service per call access charge and per minute rate.

	Maximum	Minimum
Pay telephone access charge	\$0.60	\$0.10

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#### 4.5. COST RECOVERY FEE

Customers will be assessed a monthly Cost Recovery Fee. The fee permits the Company to recover the costs associated with interstate access charges, property taxes, and the expenses associated with regulatory proceedings and compliance and is applied each month in which the Customer has interstate or international calling charges. The fee is applied in full whether or not the Customer's billing period covers an entire month.

Cost Recovery Fee, per presubscribed line \$3.00 \$0.50

#### 4.6. ILEC STATEMENT FEE

Customers may elect to have the convenience of Company billing appearing on the Customer's incumbent local exchange carrier invoice.

Monthly ILEC Statement Fee Maximum Minimum \$6.00 \$1.00

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#### **SECTION 5 – EFFECTIVE RATE SCHEDULE**

#### 5.1. SERVICE CHARGES

The following represent current effective rates for Company Services subject to the Service Descriptions appearing in Section 4 – Rates and Charges – of this Tariff.

# 5.1.1. Commercial Long Distance Service

#### 5.1.1.1. Commercial Rate Plan I

	DAY		EVENING		NIGHT	
	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.
Intrastate	\$0.121	\$0.040	\$0.108	\$0.036	\$0.108	\$0.036

Monthly Access Fee: Cost Recovery Charge

\$3.78

\$1.44

#### 5.1.1.2. Commercial Rate Plan II

	DAY		DAY EVENING		NIGHT	
	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.
Intrastate	\$0.100	\$0.033	\$0.090	\$0.030	\$0.090	\$0.030

Monthly Access Fee: Cost Recovery Charge \$3.78

\$1.44

Issued:

Effective Date:

Issued By:

# SECTION 5 - EFFECTIVE RATE SCHEDULE, Continued

#### 5.1. SERVICE CHARGES, Continued

# 5.1.1. Commercial Long Distance Service, Continued

### 5.1.1.3. Commercial Rate Plan III

	DAY		DAY EVENING		NIGHT	
	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
Intrastate	\$0.404	\$0.404	\$0.363	\$0.363	\$0.363	\$0.363

Monthly Access Fee: Cost Recovery Charge \$3.78

\$1.44

### 5.1.1.4. Commercial Rate Plan IV

	DAY		DAY EVENING		NIGHT	
	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
Intrastate	\$0.333	\$0.333	\$0.299	\$0.299	\$0.299	\$0.299

Monthly Access Fee: Cost Recovery Charge \$3.78

\$1.44

Issued:

Effective Date:

Issued By:

# **SECTION 5 – EFFECTIVE RATE SCHEDULE**, Continued

# 5.1. SERVICE CHARGES, Continued

# 5.1.1. Commercial Long Distance Service, Continued

### 5.1.1.5. Commercial Rate Plan V

	DAY		Y EVENING		NIGHT	
	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.
Intrastate	\$0.202	\$0.202	\$0.181	\$0.181	\$0.181	\$0.181

Monthly Access Fee: Cost Recovery Charge \$3.78

\$1.44

# 5.1.1.6. Commercial Rate Plan VI

	DAY		DAY EVENING		NIGHT	
	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.
Intrastate	\$0.167	\$0.167	\$0.150	\$0.150	\$0.150	\$0.150

Monthly Access Fee: Cost Recovery Charge

\$3.78

\$1.44

Issued:

Effective Date:

Issued By:

# SECTION 5 - EFFECTIVE RATE SCHEDULE, Continued

#### 5.1. **SERVICE CHARGES**, Continued

# 13. Basic Residential Calling Card Service Plan I

13. Dasic Residential Caming Card Service Hair I	
Access Charge, per call	\$1.25
Rate per minute, all time periods	\$0.12
Monthly Service Fee	\$2.95
Pay telephone access charge	\$0.30
14. Basic Residential Calling Card Service Plan II	
Access Charge, Per Call	\$1.25
Rate Per Minute, all time periods	\$0.18
Monthly Service Fee	\$4.95
Pay telephone access charge	\$0.30
RECONNECTION FEE	
Service Reconnection Fee (per occurrence)	\$30.00
INTRASTATE CONNECTION FEE	
Monthly Intrastate Connection Fee	\$1.92
COST RECOVERY FEE	

#### 5.4. CO

Monthly Intrastate Connection Fee \$1.44

#### 5.4. **ILEC STATEMENT FEE**

Monthly ILEC Statement Fee \$1.50

Issued:

5.2.

5.3.

Effective Date:

Issued By: